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UNITAS

QUARTERLY REVIEW

ILLUSTRATING
TRADE CONDITIONS IN
FINLAND

N:o 4 NOVEMBER
1930

AB

NORDISKA FÖRENINGSBANKEN

(OY Pohjoismaiden Yhdyspankki)

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THE IMPORTANCE OF FORESTS AND FLOATING CHANNELS IN THE NATIONAL ECONOMY OF FINLAND

By LENNART GRIPENBERG, Senator,
Member of Nordiska Föreningsbanken's Board of Administration

The value of exports in the shape of timber and products of the wood-working industries, i.e. raw and finished woodgoods, such as sawn timber, plywood and spools, and in the shape of products of the paper trade, has of late represented, on an average, over $^4/_5$ of the total value of Finnish exports. These exports have, on the one hand, given the owners of forests — the State and private persons — a very good net profit or interest on capital invested in forests, and on the other hand, when timber was worked up within the country, provided greater opportunities for utilising productive forces of different kinds in the country, which it would certainly not have been possible to employ to the same extent and with an equally good result in other work. The utilisation of the forest resources of the country has therefore, undoubtedly, been an extraordinarily important factor in the economic life of the country and consequently in its general progress.

The utilisation of Finland's forest resources is of unusual importance for its progress.

This has been principally due to two circumstances.

One of them — the most important one — is Finland's wealth of forests. According to the so-called valuation of State forests carried out in 1922 and 1923 the total forest area of Finland is 252,635 sq. km or 73.5 %, i.e. almost $^3/_4$ of the total land area. This rich supply of forest is relatively of greater importance for Finland than for countries with milder climates and with other and greater natural wealth, such as minerals. The northerly position of Finland and its generally rather barren soil do not afford agriculture, particularly grain growing, the same opportunities as in more fortunately situated countries and do not allow it to compete with them. Finland has always been obliged to cover a not inconsiderable part of its requirements in grain by means of imports, and Finnish farmers generally complain that agriculture does not provide reasonable interest on capital invested in land, but that the landowner, if he wants to see a return on his capital, must be able to reckon on an appreciable income from forest, too.

The forest supplies are more important for Finland than for countries with manifold natural resources.

For this purpose, however, it is not sufficient that forests should exist, but it must be possible, in case they exceed the requirements of the owner, to dispose of them to advantage. It is here that the second of the circumstances referred to — possibilities of transport — comes in. For the forest owner to be able to obtain a reasonable net profit on his goods, the felling and transport charges must not make up too large a part of the price that the buyer is prepared to pay. Of these two items of expense the transport charges are almost without exception incomparably the larger and are the deciding factor as regards profit.

Transport costs are of decisive importance for the earning capacity of the forests.

The first stage of conveying the timber from the forest to the nearest artery of traffic is performed, as a rule, by horses along snow roads. For further transport to the place of destination there are three means: by road with horses or motor vehicles, by rail or by waterways.

The first method can only be considered in a few exceptional cases, because it is too expensive for long distances. Besides, most of the roads, especially in the interior, are practically impassable for motor vehicles that are heavily laden.

Transport by motor vehicles or by horses is only possible in exceptional cases.

Although the railway network of Finland has been developed very much during recent years, its meshes are still very broad. To illustrate this it is only necessary to mention that, as according to the latest official statistics the total length of the Finnish railways, both State and private, is 5,092 km, while the total area of the country, after deducting the northern half of the province of Oulu (Uleåborg), where there are no railways, is roughly 300,000 sq. km., there is an average area of 59 sq. km. per kilometre of railway for the rest of the country. In the greater part of the country, especially in its interior, richest in forest, it is therefore not economical to cart felled timber by horses to the railway for further transport to its destination.

The network of railways is still too thin to provide economical transport of timber.

This brings out the importance of the third group of means of transport. Finland has been called »the land of a thousand lakes», an example of poetic licence which by no means exaggerates the conditions, but on the contrary fails to do justice even approximately to the real state of things. In the Atlas of Finland published by the Finnish Geographical Society the number of lakes in the country is given as about 35,500. The total area of these lakes is about 12% of the total area of the country. The lake sare connected in groups by rivers, so that they form a very dense combination of waterways that traverse the entire interior of the country.

The waterways are of unusual importance for the transport of timber.

Altogether, the interior of the country, excepting the northern part of the coastal district along the Gulf of Bothnia, is very rough, so that in almost all these rivers more or less large rapids are fairly common. The rivers are therefore not navigable for long stretches for large vessels and cannot be

made navigable except at enormous expense. With the exception of the largest watershed in Finland, the Saima or Vuoksi basin, which covers an area of about 60,000 sq. km. or about $^1/_6$ of the total area of the country, and was connected already in 1856 with the Gulf of Finland by the Saima canal, the other interior waters are at present not navigably connected with the surrounding sea. Nevertheless these waterways can be used, mostly in their natural condition, for floating timber in loose logs and can be improved materially by means of clearing and regulating without undue expense. Such work has been carried out for a long time on a very considerable scale. The total length of the waterways employed at present for floating purposes is estimated for the whole country by the Engineering Department of the Board of Forestry at 47,100 km. There are therefore more than 9 km of floating channel per km of railway and about 7 sq. km of dry land area per km of floating channel. These figures give an idea of the prominent part played by floating in the transportation of the raw forest products to their destination.

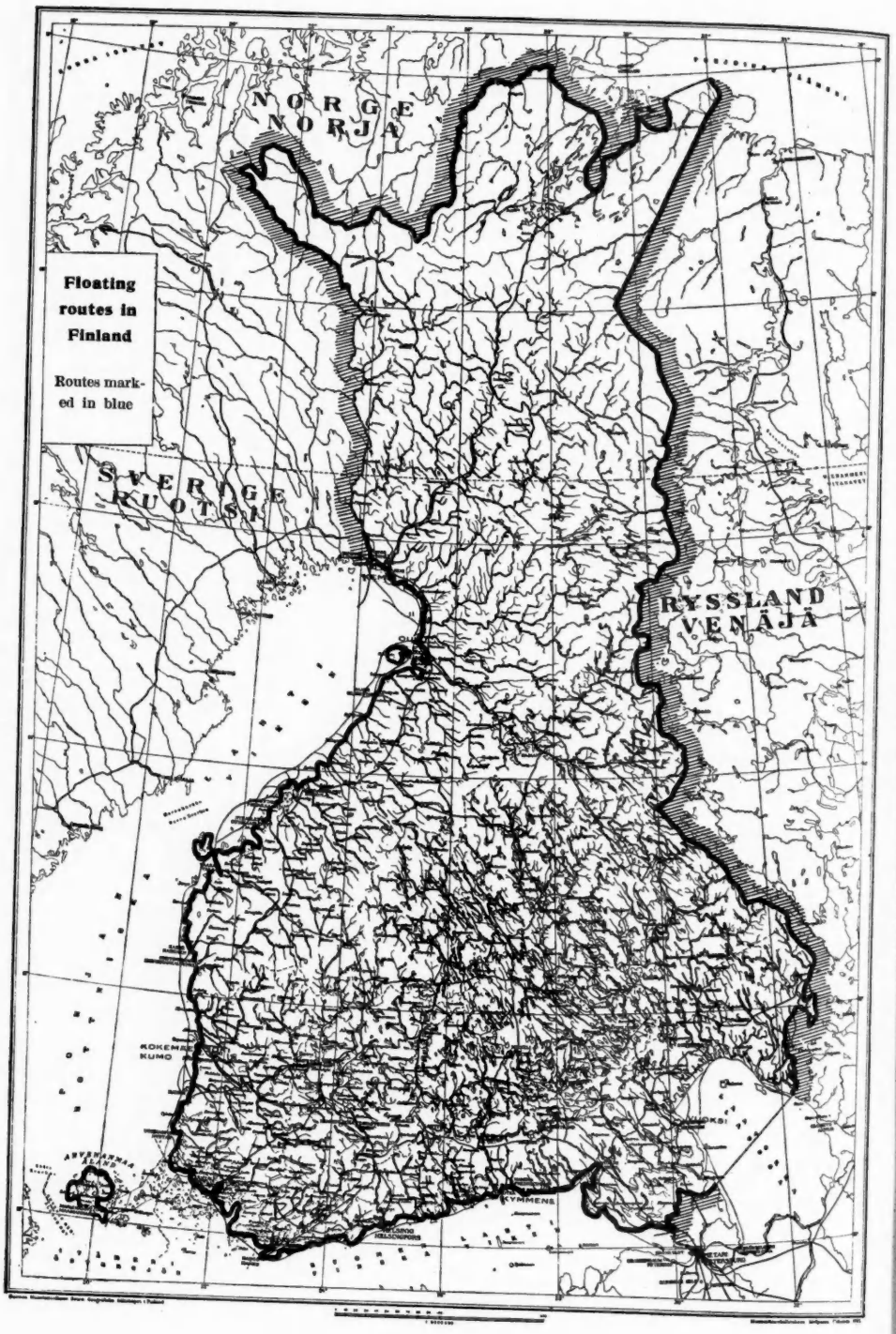
The net profits of over $^3/_4$ of the total area of the country depend to a great extent on timber floating.

If it is further considered that the loose timber floating in the channels is carried forward by the water without requiring any other power, it will be seen that in regard to expense floating must in general be unquestionably cheaper than the other means of transport mentioned above. Timber floating is therefore also in the greater part of the country a deciding factor for the extent of the profit which the landowner can obtain from his forest and consequently — besides the increment of the forest — decisive for the yield to be obtained from $^3/_4$ of the total area of the country.

In view of the great importance of timber floating for the national economy of Finland a short description of the subject was thought likely to be of interest and the present writer was invited to draw a picture of the development of timber floating and its present state.

Up to the end of the 1850's sawmilling in Finland was hampered by many restrictions.

Up to the end of the 1850's sawmilling in Finland was confined within narrow limits with the object of protecting forests from depredation. Thus, for instance, sawmills could be established only, if they were run by water-power, and in the charters that were required the number of logs, for instance, to be sawn annually was laid down and the district — usually not more than two or three neighbouring parishes — from which the logs might be taken. Transport to the sawmills could, as a rule, be managed along waterways, though, owing to the circumstances stated, only comparatively short distances had to be traversed. For delivering the finished goods to the ports of shipment, however, conditions were very unfavourable. The district embracing the largest watershed in the southern part of the country, the Saima basin, was, as already mentioned, the most fortunate in this respect.


Floating routes in Finland
Routes marked in blue
NORGE
NORJA
SVERIGE
RUOTSI
RYSSLAND
VENÄJÄ
KOKEMÄKI
KUMO
KYMMENE

In order to give an idea of the conditions in other parts of Central and South Finland, a few data may be given of the largest water system in that part of the country, the watershed of the Kymi (Kymmene) river, extending over 37,000 sq. km. In the whole of this district there were at that time only 13 small sawmills with a total right of sawing 63,340 logs. Sawing by hand was, however, also resorted to on a not altogether insignificant scale. Seeing that the small demand for logs could, of course, be satisfied by the places nearest to the sawmills and to the coast, there could be no question of felling timber for sale in by far the greater part of the watershed. And when such felling was, nevertheless, indulged in, the heavy cost of transport from the sawmill to the ports of shipment — transport by horses for 50—150 km — swallowed up such a large part of the price of the goods that the owner of the forest only received an infinitesimal sum.

Some data illustrating the extent of sawmilling in the 1850's.

The conditions were similar in other parts of the country. The shipment of woodgoods from the third large watershed in South Finland, the water system of the Kokemäen joki (Kumo) river, which embraces about 35,000 sq. km, went mostly over Pori (Björneborg). Exports from that port amounted at the end of the 1850's to close on 40,000 dozen deals and boards, including goods sawn by hand, transported to Björneborg by horses.

By the ordinances of 1857 and 1861 such conditions were completely altered. Steam sawmills could now be established and all the other regulations restricting sawmilling, were removed. Contemporary thought found it difficult at first to grasp, what revolutionary effects, from an economic point of view, the new order of things would bring about, but by degrees it was realised that it would now be most reasonable to concentrate the sawmills on the coast at the mouths of large rivers, down which the timber might be floated to the sawmills and be shipped directly as sawn goods.

The removal of the hampering restrictions of sawmilling about 1860 is of enormous importance for the economic life of Finland.

In this respect, too, the course of events in the watershed of the Kymmene river was typical of other parts of Finland. At first people were very sceptical as to the possibility of floating timber down the Kymmene river to its mouth, but when, by experiments in floating and some modest work of regulation in the channel, the conviction was gained that this could be done, a steam sawmill was erected beyond the mouth of the river on the island of Kotka, where formerly there were scarcely any dwellings; it was completed in 1871. The next year another sawmill was ready. For these two sawmills no less than 350,000 logs were floated downstream to Kotka during 1872. The ice had been broken; the success of the first sawmills encouraged imitation. On Kotka and the surrounding islands and mainland feverish, thoroughly »American» activity now set in, the like of which had not been seen at any other time

A new era opens.

in Finland, for in 1874 no less than five new sawmills were added with the result that the quantity of timber floated in 1876 amounted to 1,200,000 logs. This timber came to a great extent, one might almost be tempted to say mostly, from the northern parts of Central Finland, from a distance of 400 km and more by floating channel from Kotka. The felling of timber for the Kotka sawmills alone had grown twentyfold during six years since the appearance of the first sawmill, compared with the former fellings for sale in the watershed of the Kymmene river. Forests that had before been quite valueless owing to their situation, had now acquired considerable value.

In Björneborg the first steam sawmill was established already in 1861 with a sawing capacity of 250 logs a day, equal to 75,000 logs annually, working full time all the year round. This was followed in 1871, the same year in which Kotka obtained its first sawmill, by another sawmill, the following year by another three and in 1874 by one more, so that there were in all 6 steam sawmills at the mouth of the Kumo river by the latter date. The quantity of timber floated in 1876 was about 700,000 logs.

A detail regarding the floating of timber must be mentioned. As the timber had to be floated down a river not in rafts, but as loose logs, owing to the numerous rapids and for other reasons, the floating of timber down one channel for several owners caused much trouble, gave rise to disputes among the owners and retarded work. To avoid all this it was soon arranged — as the floating regulations subsequently prescribed — that all timber was floated down the larger channels indiscriminately for everyone. In order to be able to sort the timber of the various owners at its destination, it was provided with the distinguishing brands of its owners. Along all the larger waterways of the country floating is now done for joint account by special floating associations, of which all the timber owners are members who do any floating along the channel. This cooperation has advanced the organisation of floating in an important measure and has helped to attain greater economy. According to the calculations of the Board of Forestry joint floating now covers about 25 % of the total length of all floating channels or a combined distance of about 12,000 km.

Floating is organised.

Finally, a few data may be given to illustrate the extent of the work of floating at the present day in the two large watersheds of South Finland already mentioned and in three of the largest watersheds of North Finland. A direct comparison of the work done in them is rendered difficult, however, in regard to the quantities of timber floated, besides other circumstances referred to below, by the fact that the method of calculating them varies so much. In the 1870's, when floating first attained considerable importance,

practically only sawmill logs were floated, the quantities being calculated and the cost divided according to number and distance. Later, when the floating of small timber, such as pulpwood and firewood, grew in extent, such a method of calculation, of course, became unsuitable; such small timber is therefore now calculated, as a rule, by cubic contents, a so-called »floating unit» having been introduced for both kinds of timber, though its calculation varies in different floating channels.

Some figures illustrating the extent and development of floating.

The work of the *Kymmene Floating Association* covers the joint floating in the whole watershed of the Kymmene river with a total floating length of 1,177 km for all those channels down which floating occurs. The longest floating distance from the point, where the timber is received for joint floating, down to Kotka is 560 km, while the average floating distance per floating unit for 1927—1929 was 164 km. The total number of timber units floated, which are about equal here to a sawmill log of medium size, amounted for the same years to about 9,455,000. The average cost of floating per floating unit and km amounted for the same years to a little more than 1.5 penni.

The *Kumo River Floating Association*, which calculates the number of floating units on a similar basis to the former, limits its activities chiefly to the Kumo river, i.e. to the lower part of the water system, while considerable quantities of the timber felled in the watershed as a whole are consumed by woodworking mills higher up the waterway. Although the total watersheds of the Kumo and Kymmene rivers are approximately equal in extent, the timber quantities of the Kumo River Floating Association are considerably smaller for the reason given, namely, on an average for the years referred to 3,203,000 units. The full length of the channel is only 306 km. The average floating cost per km and floating unit was about 1.3 penni for those years.

The *Oulu* (*Ule*) *River Floating Association*, like the previous one, confines its work to floating in the river itself, while a very large portion of the timber coming from the upper part of the watershed — which covers altogether 23,000 sq. km — round about the Ule fens remains at points higher up. The quantity of timber here did not amount, therefore, to more than an average of 1,001,000 sawmill logs and 37,000 cub. m. of small timber for the years mentioned.

Of the *Kemi River's* large watershed of altogether 53,000 sq. km a very considerable part lies within the most northerly regions of Finland, more or less bare of forest. The joint floating is done down a total length of floating channel that amounted in 1927—1929 to 723, 800 and 870 km. The floating, in spite of the large size of the watershed, did not exceed 4,137,000 sawmill

logs and 502,000 cub. m. of small timber on an average for those years, all floated to the mouth of the river.

Finally, the watershed of the *Ii (Ijo) river* should be mentioned, also in the far north, though further south than the last, with a total area of 10,000 sq. km and a total length of floating channels for joint floating of 630 km. The total annual timber quantities amounted for the years mentioned to 1,501,000 sawmill logs and 172,000 cub. m. of small timber, also all floated to the mouth of the river.

The development of floating is of unusual importance in utilising the forest resources of the country.

If we compare the figures now quoted with those given earlier for the time just before and about 1870, it is clear, to what an enormous extent the utilisation of Finland's forest resources has advanced since then. It is also obvious that a well ordered floating system is of great importance in this respect, as well as for the economic development of the country in general.

THE FALL IN PRICES AND INDUSTRIAL PRODUCTION

by

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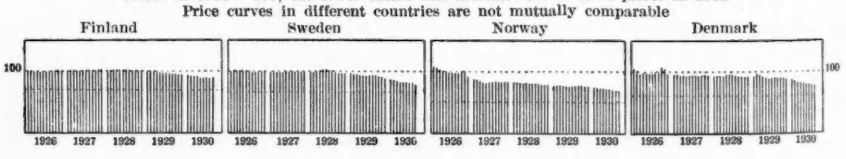
The present fall in prices throughout the world, the question as to its causes and the possibility there may have been of avoiding, or at any rate counteracting it effectively, is being discussed eagerly at present in economic iterature. It seems natural that these questions should also arouse public interest. Since October—November, 1929, when the decline in the price of commodities appears to have set in seriously in some of the leading countries, we have experienced a development of prices for which we can certainly find a fairly recent parallel in the course of events ten years ago that could, however, scarcely have been anticipated in the, after all, comparatively calm conditions

Wholesale prices in different countries

Prices in 1926 = 100; the lower dotted line indicates the level of prices in 1913
Price curves in different countries are not mutually comparable



that had marked world economics during recent years. It is only those who, possibly, view the level of prices in 1913 as a »natural» one, to which we are bound to return sooner or later, that can accept the present situation without protest. For everyone else the following question is fully justified: would it not have been possible — especially in view of the dearly bought knowledge of economic connections during the war and after — to dam the flood by means of reasonable measures in financial policy or other steps, so that the fall in prices and the trade depression all over the world need not have attained anything like the extent it has actually reached?

Could the decline in prices throughout the world have been avoided?

The question has been answered in different ways. Among those who consider that a steady level of prices might have been maintained by comparatively simple means, the first to be mentioned should be Professor Cassel who lays the blame at the door of the bank rate policy of the central banks which was of such a character just before the fall in prices set in and subsequently during part of its course that too great a scarcity in the supply of means of exchange occurred. Cassel considers that the responsibility rests particularly with the central banks of the leading countries and more especially with the American Federal Reserve system which, as the possessor of a very essential portion of the world's monetary gold supply, should have felt it its duty to do its utmost in order to maintain steady prices, but in its desire to check Stock Exchange speculation in the United States allowed itself to be misled into restricting grants of credit too much. When speculation had been curbed, the bank rate was lowered several times, but the drop in prices had already gained impetus. Regard for the level of prices throughout the world should have caused the Federal Reserve banks to avoid raising the bank rate in August last year. Had the bank rate policy been adapted in such a way that a sufficient supply of means of exchange had been guaranteed all the time, the crumbling of commodity prices would have been avoided. It should be stated expressly that Cassel's criticism is not levelled at the central banks of the smaller countries, which are more or less prevented from pursuing an independent bank rate policy.

Cassel's opinion: bad bank rate policy.

It has been urged in many quarters that Cassel's view of the possibility of maintaining a steady level of prices for commodities would prove too

Wholesale prices in different countries

Prices in 1926 = 100; the lower dotted line indicates the level of prices in 1913
Price curves in different countries are not mutually comparable

Contrary opinions.

schematic. Some complicating subsidiary circumstances have been introduced into the discussion, intended to illustrate the limitations of the formal and actual power of the central banks to influence the course of development — one of the most categoric supporters of such views is Professor Gregory in England. Some extreme writers, partly belonging to the sphere of active bankers, have even maintained that the duties of a central bank begin and end with their obligation to protect the gold supply, an opinion that might, however, be described as one-sided. It is wrong to exonerate the large central banks of all responsibility for the development of prices.

A solution that is popular among business men and appears very often in periodical literature in attempting to explain the fall in prices, is to talk of a general overproduction. *General* overproduction, however, as economic investigators seem to be agreed, is impossible. This, nevertheless, does not exclude the possibility that in certain branches comparatively excessive production mayoccur and can certainly be proved to exist at present.

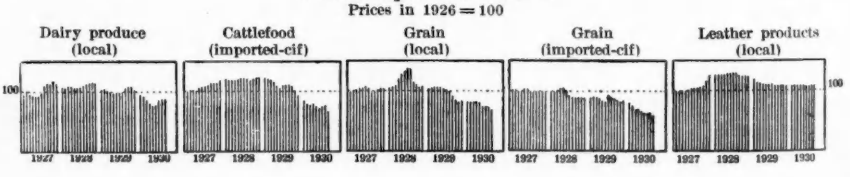
From the discussion of last year's sharp drop in prices we ought to separate the discussion of the long-term phenomena in the development of prices that may be expected to appear as a result of the world production of gold possibly not corresponding to a normal increase ni demand. There seems to be some danger of the supply of gold for monetary purposes growing scarcer in the course of time than it is at present. This, it is thought, will result in a slow and prolonged decline in prices. The problem of the gold supply, however, contains so many unknown factors that it looks as though one might feel doubtful as to the possibility of fixing the time, when the shortage of gold clearly begins to exert an influence, until a more complete investigation has been made. Nor can the world's secular gold problem under any conditions play a leading part in judging the rapid course of events in which we are involved at present. The possible consequences of a gold shortage would become evident very slowly.

Gradually growing shortage in the world's gold supply.

It should be stated, nevertheless, that the gold argument is put forward eagerly in some quarters in the front rank in discussing the events of the year. There is a fresh example of this in the recently published declaration of the Council of the Chamber of Commerce in Manchester with

Wholesale prices in Finland

Prices in 1926 = 100



regard to the gold standard in England, which in other points, too, provides fresh evidence of how various and partly incompatible opinions regard the circumstances causing the development of prices.

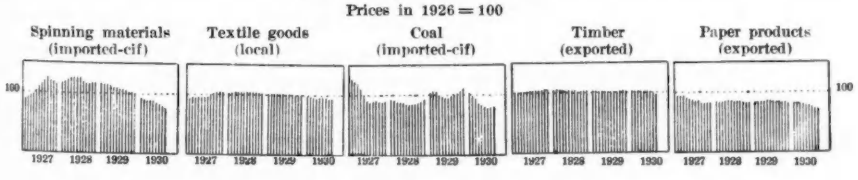
The fall in prices has attained a rather varying extent in different countries. Practically everywhere, however, it has been sufficient to cause a far-reaching dislocation of trade, and the general disinclination that resulted from the uncertainty as to where the decline would at last be arrested, has restrained the spirit of enterprise and the turnover in commodities, has brought about much lower figures for industrial production and almost universal unemployment.

It should be especially interesting to examine the effects of falling prices on industry. It appears to be not altogether a rare opinion that the catastrophic decline in the quotations for the majority of the most important raw materials in industry has so far not caused a fully equivalent reduction in price for industrial finished products. A comparison, for instance, between the price curve of products of the Finnish home industries and the foreign index figures which illustrate the tendency in trade for the corresponding raw materials, may at first sight give the impression of this being the case. To quote an example: the quotations for American cotton in Liverpool, which have dropped steadily during eighteen months, fell from September, 1929, to September this year by about 42% and the quotations for wool in Bradford by 30%, whereas the prices of textile products in Finland dropped on an average only 7% during that period — should this not be regarded as a favourable development for our textile mills? A moment's reflection shows, however, that such a view is mistaken and is connected with a disregard for the fact that the cost of raw materials only represents a part, often a fairly small part, of the total cost of production in industry, and that it has been impossible, or only possible to an insignificant extent, to reduce the other, cost items much more important in their totality. Wages, which always lag behind during a change from better times to worse, could not be reduced even approximately as much as the change in the position demanded — in many cases they are actually unchanged. The reduction of rates of interest,

Profits in industry have been reduced. Cost of raw materials has certainly dropped much more than cost of finished goods, but most other items of industrial costs are still high.

Wholesale prices in Finland

Prices in 1926 = 100



especially of long-term interest rates, has displayed considerable and easily comprehensible tardiness. Social expenditure is as high as before, and taxes, which should be included in this connection, though they do not form a direct item of *cost*, are no lighter a burden on production than formerly. Finally, the curtailment of production in accordance with reduced demand has resulted in the cost of production of each produced unit tending automatically upward, the fixed items of cost — i.e. allowances for interest and depreciation of plant, the greater part of cost of administration etc., which are quite or mostly unalterable — having to be distributed over a smaller total production than before in view of the reduced proportion of utilisation of the plant. If the price curve for industrial products is examined afresh with these circumstances in mind, it will easily be realised that it has been forced down heavily enough under the pressure of reduced demand, so heavily, indeed, that the earnings of industry in a large number of branches have become very unsatisfactory.

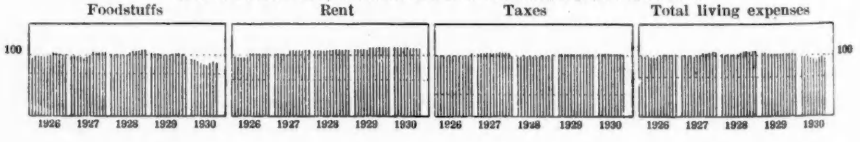
Efforts towards rationalisation have become more urgent.

Many items of cost that are disproportionately high at present, are mobile and will be brought down by degrees to a better correspondence with prices for finished goods — unless the price curve does not take a turn upward before that. However, as this process is slow, it is only natural that other methods that may possibly be available, are sought for reducing costs of production. It is for this reason that the efforts towards rationalisation in industry — already urgent during the late boom in trade — have gained very much in importance. Rationalisation occupies an admitted place as a centre of interest in time of depression just as its results, from the point of view of industrial concerns, are of lasting value for the future as a means of counteracting the tendency in present-day industry, apparent even under favourable circumstances, to grow less profitable.

So long as rationalisation is an entirely internal matter in a concern, it easily escapes the attention of the general public, but in those cases in which — as frequently occurs — it takes the form of mergers between several concerns in the same branch, that competed formerly, with consequent readjustment of production, administration and financing, it is invariably sub-

Cost of living in Finland

Level of 1926 = 100; the lower dotted line indicates the level in 1913



jected to interested discussion. Such cases of rationalisation and efforts towards it have frequently occurred of late in European countries and chiefly, perhaps, in England, where the difficulties of industry have been more prolonged than elsewhere and industrial organisation comparatively antiquated.

It is striking that the banks have, practically everywhere, shown great interest in the rationalising of industry. It is a distinct advantage to the banks that their customers, by keeping pace with the demands of the time, should gain in value as objects of investment of credits. At the same time it is a fact that the realisation of most plans for rationalisation on any large scale, claims a very considerable outlay of capital which renders the cooperation of the banks an absolute necessity.

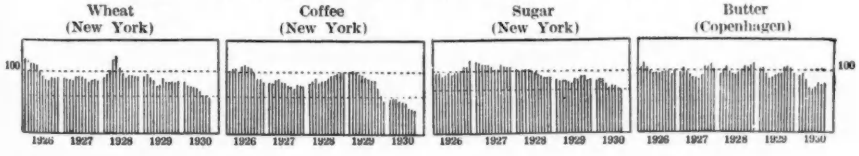
The banks are generally interested in the rationalising of industry.

The aspect of the question in regard to political economy has aroused interest in rationalisation in the banking world of some countries as a whole and awakened remarkable joint initiative. In England, the country in which hitherto — with some injustice — it was considered that the banks kept very much aloof from supplying industry with long-term capital, the central note-issuing bank has taken the lead in financial action of wide extent. The Bank of England, which, it may be said by the way, has felt obliged of late years to take a hand in granting credit to industry to an ever growing extent, started a company, the Securities Management Trust, at the end of 1929, the object of which was to examine rationalisation schemes put forward with regard to their value in strengthening the position of British industry. If the scheme is approved, the requisite capital is obtained through (not *from*) another concern established on the initiative of the Bank of England, the Bankers' Industrial Development Company, founded in April this year by the central bank in conjunction with practically all the English commercial banks and more important issuing houses. Of the capital of this concern the Bank of England advanced one-quarter, but the Bank's shares carry a threefold voting power, so that in reality the Bank controls the concern. In addition to these two new establishments for assisting rationalisation a number of similar companies have also been started of late in England, usually so specialised that each one is confined to its own branch of industry. Partly thanks to these measures, but partly also independently of them, a series of striking

In England especially the banks strive to suppor the new spirit in industry effectively.

Prices of different commodities

Prices in 1926 = 100; the lower dotted line indicates the level of prices in 1913



decisions in favour of rationalisation have been come to concerning, among others, the iron and steel trade, shipbuilding and the textile trade.

In Germany, too, where industry and banking have always been closely connected, it was found necessary already some years ago to take special steps for financing industrial rationalisation. In the autumn of 1928 the Zentralbank Deutscher Industrie was started with the object principally of assisting mediumsized industry that had become antiquated and impoverished since the war. Unfortunately, however, this bank had to give up business already after 18 months' experience.

Like Germany, Austria was a country with a considerable connection between the banks and industry. There the position of industry since the war has become particularly precarious owing to the great restriction of the customs territory. Thanks to their large holdings of shares in different industrial concerns the banks have during the last few years — partly as a result of amalgamations of banks — combined the control of about three quarters of the whole industry in one hand, a greater concentration than in any other country. Such centralising should in time yield good and necessary results in rationalising.

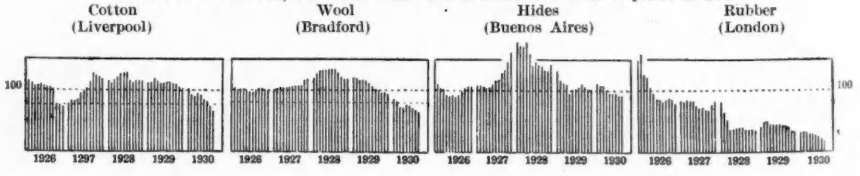
In Sweden the large banks that finance industry and especially one of them, have contributed effectively towards contemporary rationalisation by means of amalgamations. The opportunities of the Swedish banks to influence industry were greatly increased for a time after the deflation crisis; at present, however, industrial production again occupies a much more independent position, a change that has been brought about partly with the goodwill of the banks.

Difficult position of Finnish industry.

If the earning capacity of industrial production is viewed specially from the Finnish point of view, the presence of some special difficulties must be recorded in addition to the adverse factors evoked by the universal fall in prices and already referred to. Finnish industry has been exposed to two crises in turn without having a chance of recovery in between — first an internal crisis in the autumn of 1928 and then the repercussion of the altered situation throughout the world. The drop in prices for products of local industry may be said to have proceeded since the latter half of 1928. The

Prices of different commodities

Prices in 1926 = 100; the lower dotted line indicates the level of prices in 1913



international level of prices for products of the exporting pulp and paper trades, so important in Finnish production, also tended to give way since the early summer of 1928. As regards production of sawn timber, our leading industry at present, it has for years struggled against competition from a source, where, in making sales, there was no idea of considering actual costs of production, besides which the sawmills, owing to the long time that elapses between the acquisition of raw materials and the shipment of finished goods, is only able to derive benefit from reduced prices for raw materials very late. — If we add to the above the increase in the already heavy interest charges that the generally poorly financed Finnish industry — to the extent that it works on internal short-term credit — was subjected to since the autumn of 1928, it is clear that industrial depression in Finland was bound to be very heavy. The available information as to the decrease in the number of working hours in mills is good evidence of the difficulties; on the other hand, the figures for the public labour exchanges are less instructive, as they give a by no means adequate idea of the extent of unemployment.

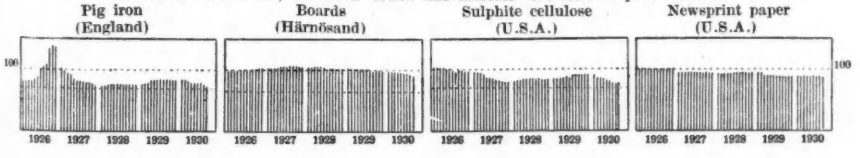
In such surroundings the work of rationalisation has every prospect of taking root. The last two years have given rise in Finland to comparatively large plans for reorganising production in some branches of industry. Of these plans some have already been carried out, while others are still in a preliminary stage. Interest was centred chiefly on strengthening the ability of local industry to compete with foreign countries, efforts to take advantage of the benefits of large scale production to a greater extent than hitherto being, naturally, the deciding factor. The most noteworthy plan is that of amalgamating the six large Finnish cotton mills, all of which belong to the so-called combined type with spinning and weaving mills in the same concern, into one company, whereupon each of the different works would be given its special line of production. The considerable values involved have made it difficult to adjust the interests of all parties, so that up to the time of writing the plan has not been realised, and it even seems uncertain, whether it can be carried out in its original form, but it may be taken for granted that there will be a change in the cotton industry in some form.

A number of noteworthy rationalisation schemes in Finland.

Among other efforts at rationalisation in local industry the combine can

Prices of different commodities

Prices in 1926 = 100; the lower dotted line indicates the level of prices in 1913



be mentioned that was formed by manufacturers of agricultural machinery in the summer of 1930. In the household glass trade, too, close cooperation has been established between the factories; for the present the agreement only extends to sales which are made jointly. Production has not been specialised, but the manufacturers have agreed as to a definite proportion in output.

In the exporting industries the work of rationalisation has moved partly along other lines. The sawmills have adapted themselves to an ever more complete utilisation of the raw materials, and the market conditions have caused the disappearance of masses of small concerns in this branch, that were unable to carry out such a rationalisation policy. The large, manysided woodworking concerns have, in addition to the problem of raw materials, given greater attention to the problem of administration, and since last summer a couple of cases of reconstruction of the administrative organisation with consequent reduced costs can be recorded in Finland.

Does rationalisation accentuate the crisis?

There are writers who maintain, in pointing to one of the results of rationalisation, increased production per workman, that rationalisation, far from being a cure for depression, on the contrary brings about a state of crisis characterised, for instance, by growing unemployment. Space forbids the discussion of this view which looks alluring at the first glance and from the human point of view. It seems, however, as though, with Cassel, we could maintain that »progress must be looked upon as the normal state of the world, which should not, of itself, lead to an economic crisis». In no case is it adriable for a single nation to abstain from taking part in general industrial development.

A GLANCE AT THE THIRD QUARTER

Our economic life that had already in part overcome the depression inside the country that had been experienced since the autumn of 1928, has now been affected by the general slump in trade. Demand is falling off, trade and local industry are decreasing, unemployment is growing. The accumulation of capital in the banks has ceased, the volume of credits is reduced. The harvest, it is true, turned out better than for some time past, but the

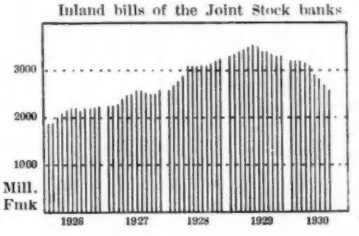
fall in prices has lowered its monetary value. And the exporting industries — the branch of trade most capable of development — are at present labouring under very difficult conditions of foreign competition.

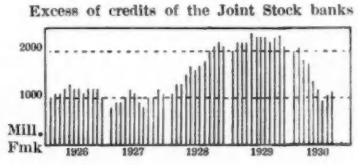
Trade is suffering from depression.

The crises have, however, left traces of healthier conditions. They have necessitated rationalisation and cooperation both in local industry and the exporting industry and in commerce. Many weak firms have disappeared, and in the falling tendency of the curves for bankruptcies and protested bills during the last few months an indication may be recognised of the approach of more stable internal economic conditions in Finland.

The elections to the Diet were held on Oktober 1:st and 2:nd. The parties of the Left, which had 82 seats in the late Diet, 23 of which were occupied by Communists, only number 66 members in the present Diet, not one of them being a Communist. On the other hand the bourgeois parties have increased the number of their seats from 118 to 134. The participation of Communists in municipal work is now also made impossible by a law passed by the Diet.

THE MONEY MARKET. During the third quarter the state of the money market has again changed very much. The large accumulation of sight funds in the *Joint Stock banks* during the preceding months was disposed of: the proceeds of foreign bond loans were withdrawn for the greater part and were employed, with payments for exports, in reducing short-term bank credits. Correspondents' accounts were brought down by this means from 1,244 to 1,023 million marks and the inland bill portfolios from 2,936 to 2,612 millions. The cash of the banks was also reduced considerably. The surplus of credits in home trade is still so low that it represents only a little more than half of the banks' own total funds, and the banks were therefore able to improve their position abroad extent; at the end of the quarter, however, a restriction is noticeable even in this respect. There was no need for re-discounting at the Bank of Finland, except in the case of one or two small banks.



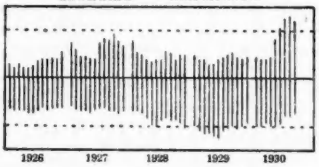


Balance sheet totals of the Joint Stock banks reduced.

Deposits fell off — as is usual in the third quarter of the year, — though not quite as much as in the last two years. The following figures for 12 month

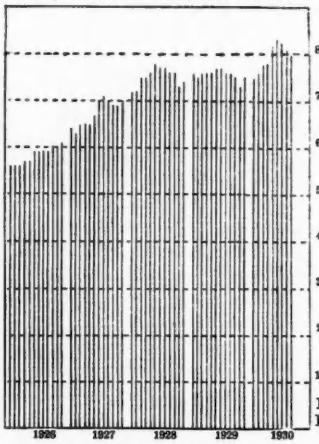
periods ending with the last day of September of each year, indicate, how poor this important form of accumulation of capital is at present.

Foreign business of the Joint Stock banks. Upward columns denote credit balances, downward — indebtedness



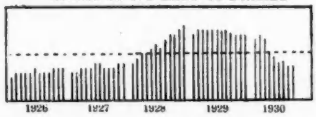
Increase in deposits very poor at present.

Deposits in the Joint Stock banks



Rates of interes still falling.

Credits of the Bank of Finland



Increase in total deposits

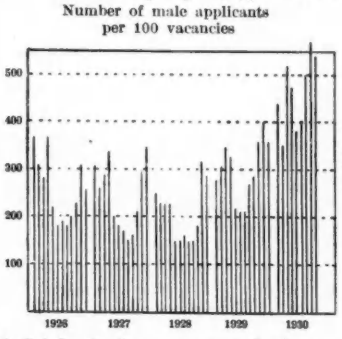
Year	Mill. mks.	%
1924	201	5.8
1925	394	10.7
1926	440	10.8
1927	702	16.4
1928	598	11.5
1929	232	4.0
1930	189	3.1

At the *Bank of Finland* the continued depression shows itself in the reduced note circulation and decreasing credits. Direct credits are just now less than they have been at any time since 1927. The foreign balances of the Bank were considerable at the end of the quarter.

Although the total deposits in the Joint Stock banks, as well as in the savings banks and funds dropped during the quarter, rates of interest have continued their downward course. The Bank of Finland lowered its rate from 6 1/2% to 6% on August 28th, while the Joint Stock banks, that had paid 6 1/2% on deposits since July 1st, allow 6% from November 1st. On July 1st the Post Office Savings Bank reduced its rate on deposits to 6 1/2 %, while the Central Bank of the Co-operative Societies and some of the larger savings banks and funds quote 7%. The majority of the small savings institutions, however, still pay a high rate of interest. Since September 1st the Joint Stock banks allow 4% on current account and deposits withdrawable on demand.

THE LABOUR MARKET. The industrial labour market has, on the whole, continued to grow worse. In local branches of industry all the more important ones, with the exception of the textile industry, have further reduced the number of workpeople, although some were able at the same time to increase the number of working hours. The exporting industries, on the other hand, record a slightly higher degree of employment. The increase is, however, solely a seasonal phenomenon and the position is, in comparison with last year, everywhere worse. According to the statistics of the Ministry

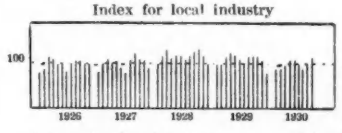
for Social Affairs the total number of working hours in industry has been reduced in the course of a year by 14%, in local industry by 15% and in the exporting industry by 13%. The reduction has been greatest in the building materials trade (46%), next in the chemical industry (20%), the sawmill and metal industries (15%) and the paper and textile industries (9%).



The degree of employment has dropped still further in several industries.

There seems to be no hope of an early improvement. The autumn is always accompanied by an increase in seasonal unemployment and as the conditions for production in several branches of industry look fairly dark at present, industry is more likely not to be able to maintain its present reduced working capacity.

INDUSTRY. In *local industry* the degree of employment is still, on the whole, reduced. The Unitas index illustrates the position as follows:



The value of production in local industry during the third quarter was the same as during the second quarter, but about 13% less than a year ago.

Index for local industry; monthly average for 1926 = 100

	1927	1928	1929	1930
July	75	106	114	92
August	107	117	123	104
September	132	140	128	122
I quarter	*100*	*119*	*108*	*91*
II »	*102*	*117*	*122*	*106*
III »	*105*	*121*	*122*	*106*

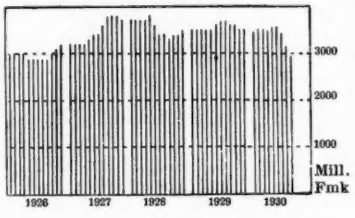
In spite of prices falling generally, the value of production during the third quarter attained the same level as during the preceding quarter, but was considerably below last year's level. In the course of a year the value of production has dropped in the building materials trade by 36% and in the foodstuffs industry — which was especially affected by the fall in prices — by 27%. The value of production in the metal trade has fallen slightly, but the leather and boot and shoe industries have escaped a further decline; production in the cotton and wool industries is even able to register a slight advance.

Demand continues poor. Owing to the uncertain prices stocks are kept low and output provides, generally speaking, only for the requirements of the immediate future. Accounts are settled slowly, because the reduced turnover of customers demands longer terms of payment.

Restricted production in the *sawmilling industry* is now making itself keenly felt in exports, too. Shipments of sawn timber during the last few months have to be described as unusually small, and by the end of September this year's shipments only amounted to 645,000 stds compared with 840,000 stds on an average for the last three years. — Sales for shipment during this season

amounted at the end of September to 760,000 stds, a quantity that is, indeed, low in comparison with former years, but is nevertheless satisfactory in relation to the existing stocks. This cannot be said of prices which remain depressed and uncertain into the bargain. To remedy the position closer cooperation among Finnish timber firms has been established.

Exports of timber
(12 month figures)



Finnish sawmills combine for a joint policy of sales and prices.

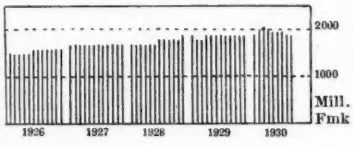
In the *paper industries* production has not been unfavourable, as is shown by the following figures:

Production in the paper industries; million kg dry weight

	First quarter			Second quarter			Third quarter		
	1928	1929	1930	1928	1929	1930	1928	1929	1930
Mechanical pulp	28.9	31.8	44.4	31.1	39.5	51.1	38.6	49.5	44.9
Chemical pulp	140.3	140.5	164.4	142.6	148.2	162.9	146.6	161.4	187.4
Newsprint paper	40.9	48.2	52.4	45.9	48.1	53.4	50.1	52.6	52.5
Other paper	25.9	25.7	26.0	24.8	26.0	26.4	31.1	26.1	29.7

The total output for the first three quarters of this year amounted to 140 million kg of mechanical pulp (121 millions last year), 515 million kg of chemical pulp (450 millions), 158 million kg of newsprint paper (149 millions) and 82 million kg of other paper (78 millions). — Exports were also, on the whole, satisfactory in quantity, but prices continue to fall. The total value of exports of products of the paper industries was 1,376 million marks at the end of September this year compared with 1,361 and 1,344 millions in the two previous years.

Exports of paper products
(12 month figures)



Total sales for the first three quarters of this year compared with last year were 17 % larger for mechanical pulp and 2% larger for paper, but 3 % less for chemical pulp.

Demand proved uneven. Orders in hand have increased slightly in the case of chemical pulp and newsprint paper, but in the case of mechanical pulp they have been reduced appreciably. At the end of September the orders in hand represented about 90% of the annual production of mechanical pulp, about 75 % of chemical pulp and about 45 % of paper.

In order to stabilise prices output is being limited.

The depressed prices for pulp force production to be restricted. An agreement has been come to with this object in view among the producers of sulphite cellulose in Northern and Central Europe, and among the producers of mechanical pulp in Northern Europe for continuing and possibly increasing the reduction of output that is already greatly cut down.

THE STOCK EXCHANGE. During July and August business was satisfactory and prices fairly steady, but in September there was a weak tendency. In the course of the quarter bank shares have dropped 5 % and industrial

shares 8 %. The general index was on the same level in September as at the beginning of the year, the index for bank shares slightly higher, but the index for industrial shares considerably lower.

Index for shares; 1926 = 100

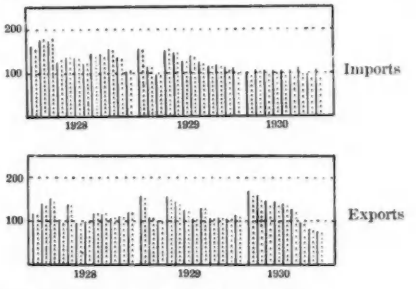
	Sept. 1929	Apl. 1930	May 1930	June 1930	July 1930	Aug. 1930	Sept. 1930	Change during year, %
N. Föreningsbanken	*115*	133	133	127	128	127	*121*	+ 5
Kansallispankki	*128*	136	139	136	135	134	*128*	0
Unionbanken	*141*	147	154	145	142	142	*138*	− 2
Helsingfors Bank	*141*	156	161	155	151	151	*148*	+ 5
Kymmene	*120*	136	139	130	129	129	*121*	+ 1
Kemi	*90*	107	109	87	84	83	*75*	−17
Tammerfors Linne	*134*	147	147	140	126	134	*124*	− 7
De Förenade Ylle	*71*	53	58	57	55	53	*52*	−27
Finlayson	*149*	111	127	111	107	110	*101*	−32
Pargas	*214*	230	234	236	228	219	*200*	− 7
Finska Socker	*123*	154	155	146	148	150	*153*	+24
Strengberg	*118*	115	115	110	109	108	*101*	−14
F. Å. A.	*97*	81	84	82	74	73	*74*	−24
Interurbana Telefon	*109*	150	158	158	157	152	*149*	+37
Banks	*128*	140	143	137	136	135	*130*	+ 2
Industrial	*128*	138	142	132	129	128	*121*	− 6
All shares	*126*	138	141	135	132	131	*126*	0

The Unitas index for shares fell 2 % in July, 1 % in August and 4 % in September. — During 12 months bank shares rose 2 %, but industrial shares fell 6 %.

FOREIGN TRADE. It is the poor *exports*, especially of sawn timber, that chiefly marked foreign trade in the last few months. As the total value of exports for the third quarter dropped from 2,380 and 2,420 million marks in 1928 and 1929 to only 1,730 millions this year, the fall in exports of sawn timber from 1,249 and 1,264 million marks in 1928 and 1929 to only 781 millions this year contributed to this principally. — However, *imports* were also very limited; from 2,054 and 1,873 million marks for the third quarter of 1928 and 1929 they dropped this year to only 1,390 millions. An important cause of the decrease was the fall in prices, which particularly affected some of our most important articles of import, colonial produce and grain. — Foreign trade during the third quarter has this year provided a surplus of exports amounting to 340 million marks compared with 326 and 547 millions in 1928 and 1929, and the balance of trade at the end of September gives a surplus of exports amounting to 291 million marks, an excellent result.

Foreign trade has long been distinguished by restricted imports; now, as a new feature, a great reduction of exports is added.

Index of foreign trade
(Monthly figures for 1926 = 100)
Whole columns denote volume, dotted lines value



Foreign trade has so far given a good balance of trade, but the position is changing.

THE HARVEST. Definite figures for this year's harvest are not yet available, but preliminary calculations indicate that it has proved very satisfactory. In quantity it has grown almost all along the line compared with

last year's harvest, hay by 10%, rye by 11%, wheat by 10% and oats by 9%; the potato crop is, however, less by 5% and the barley crop by 1%.

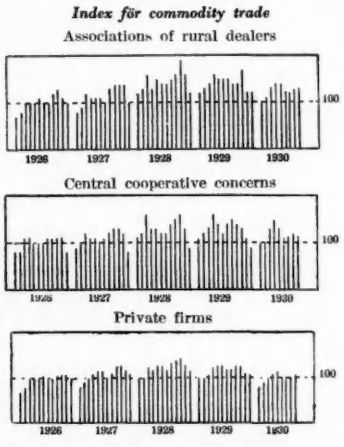
Owing to low prices, however, the monetary value of the harvest is now considerably below last year's. If the value is calculated on the basis of wholesale prices for home products, the following sums in million marks are obtained.

The harvest was good in quantity, but low prices reduce its value very considerably.

	1929	1930		1929	1930
Hay	1 469	1 475	Potatoes	496	393
Oats	787	644	Barley	287	244
Rye	787	637	Wheat	78	66

In spite of the higher duties that came into force from the beginning of the year and are estimated to represent about 275 million marks for the harvest quantities referred to, the total value of the harvest is nevertheless about 500 million marks less than last year.

HOME TRADE. In wholesale trade demand is generally described as falling off, especially for luxuries and building materials. Farmers are having considerable difficulty in turning their crops into money, so that the purchasing power is weak, and as the position calls for the greatest caution in granting credit, the turnover in all forms of trade is reduced. The Unitas index illustrates the position in the following way:

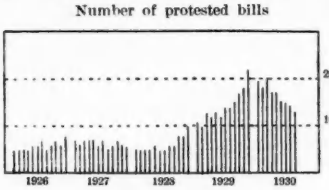


Demand still unsatisfactory, but stocks small.

Index for commodity trade; monthly average for 1926=100

	1927	1928	1929	1930
July	104	123	134	112
August	119	142	137	117
September	130	149	136	117
I quarter	*98*	*123*	*116*	*100*
II »	*112*	*130*	*141*	*124*
III »	*118*	*138*	*136*	*116*

Sales during the last few months proved remarkably bad; they did not even reach the same level as for the corresponding period in 1927. The falling off was most apparent, perhaps, in the case of the large class of private firms, but the so-called central concerns have also seen their business reduced.



— The poor demand and falling prices enforce caution in any buying for stock. In regard to retailers' payments a turn for the worse is reported pretty generally.

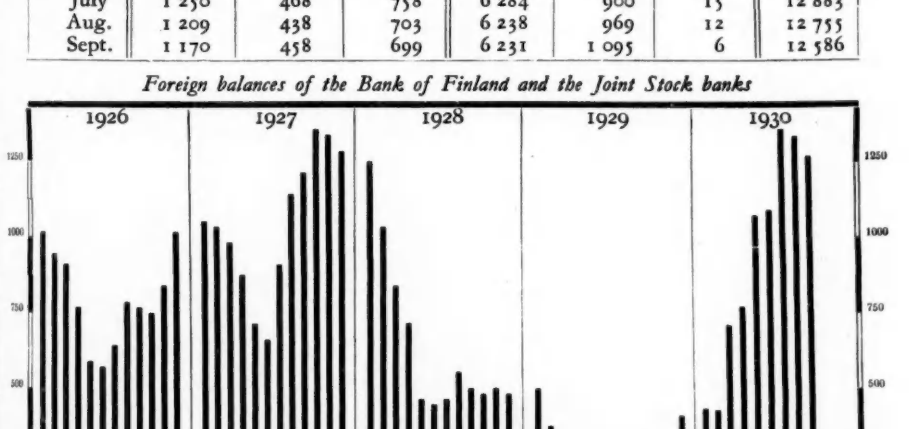
— At the same time it may be noted that the number of *bankruptcies* and *protested bills* have both steadily been falling off.

THE MONEY MARKET IN FINLAND

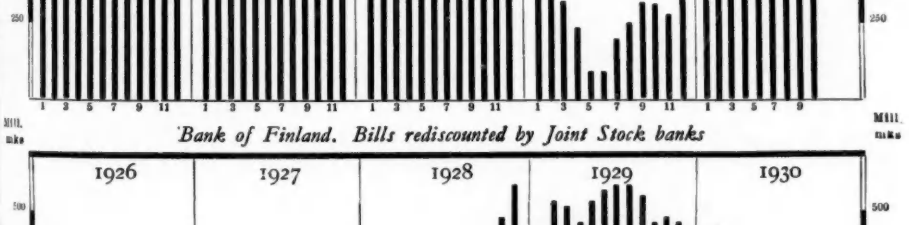
Figures for the last day in mill. mks

Year Month	Bank of Finland			Joint Stock banks			Deposits in financial institutions
	Gold reserve, foreign currency	Note reserve	Home credits	Deposits	Excess of credits	Rediscounted bills	
1924	837	597	551	3 696	1 368	152	7 494
1925	1 740	763	479	4 168	1 054	26	7 904
1926	1 410	704	654	4 648	989	87	9 047
1927	1 676	697	810	5 287	1 136	55	10 631
1928	1 036	209	1 556	5 843	2 145	604	11 703
1929	971	535	1 381	5 995	2 085	490	12 071
1929 July	806	348	1 526	6 148	2 272	598	12 059
Aug.	821	369	1 522	6 086	2 263	589	12 011
Sept.	849	434	1 464	6 042	2 235	549	11 918
Oct.	902	459	1 410	5 952	2 315	490	11 831
Nov.	898	496	1 433	5 893	2 357	511	11 637
Dec.	971	535	1 381	5 995	2 085	490	12 071
1930 Jan.	1 007	572	1 307	5 985	2 026	408	12 114
Feb.	1 040	497	1 372	6 015	2 045	464	12 174
March	1 238	555	1 261	6 101	1 805	376	12 425
April	1 250	574	1 041	6 134	1 694	191	12 481
May	1 327	561	903	6 133	1 331	52	12 847
June	1 179	524	841	6 279	1 073	21	12 910
July	1 250	468	758	6 284	900	15	12 883
Aug.	1 209	438	703	6 238	969	12	12 755
Sept.	1 170	458	699	6 231	1 095	6	12 586

Foreign balances of the Bank of Finland and the Joint Stock banks



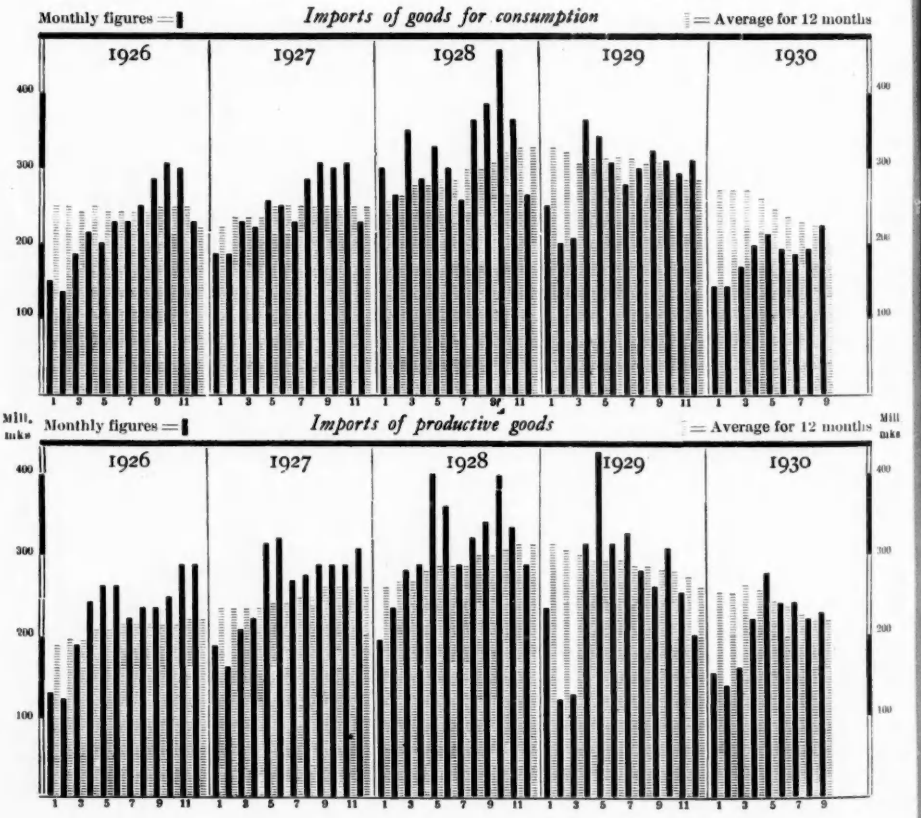
Bank of Finland. Bills rediscounted by Joint Stock banks



IMPORTS INTO FINLAND

Value in mill. mks — Index basis 1926

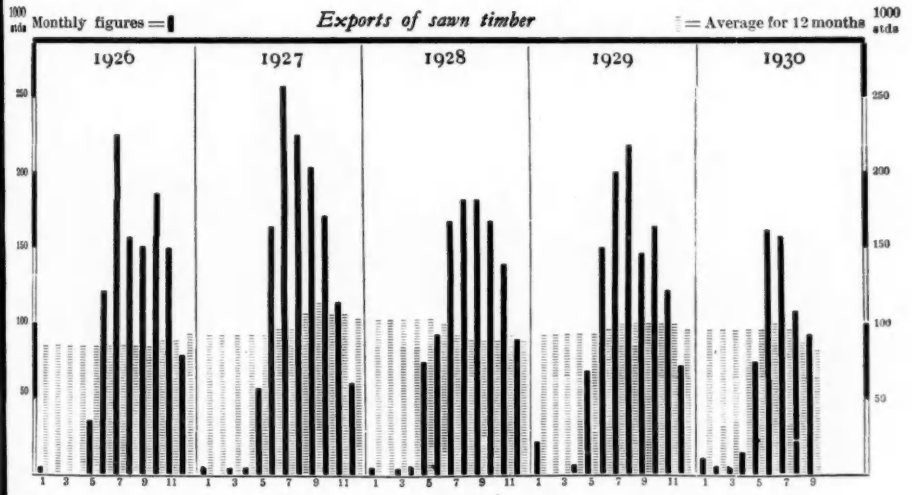
Year Month	Food-stuffs, beverages	Raw materials, semi-finished products	Finished goods	Live animals	Gold, silver; crude & minted	Total imports	Volume index
1924	1 681	1 150	1 821	2	61	4 715	85
1925	2 058	1 380	2 074	2	6	5 520	96
1926	1 484	1 566	2 609	1	8	5 668	100
1927	1 533	1 645	3 197	4	7	6 386	113
1928	2 088	1 984	3 921	10	10	8 013	141
1929	1 932	1 700	3 348	7	10	6 996	125
1929 July	148	175	314	1.2	0.6	639	139
Aug.	147	174	287	1.4	0.8	610	124
Sept.	157	174	292	0.3	1.1	624	114
Oct.	181	193	279	0.09	1.1	654	119
Nov.	185	164	222	0.2	0.4	572	111
Dec.	205	112	214	2.0	0.8	534	111
1930 Jan.	76	85	148	0.2	0.4	309	100
Feb.	74	82	140	0.2	0.7	297	108
March	82	84	181	0.2	0.7	348	106
April	98	116	228	0.2	0.4	443	107
May	112	129	276	0.3	0.6	518	106
June	110	133	210	0.1	0.5	454	106
July	101	140	194	0.2	21.6	457	112
Aug.	95	142	206	0.1	0.5	444	97
Sept.	103	147	198	0.1	0.5	449	105

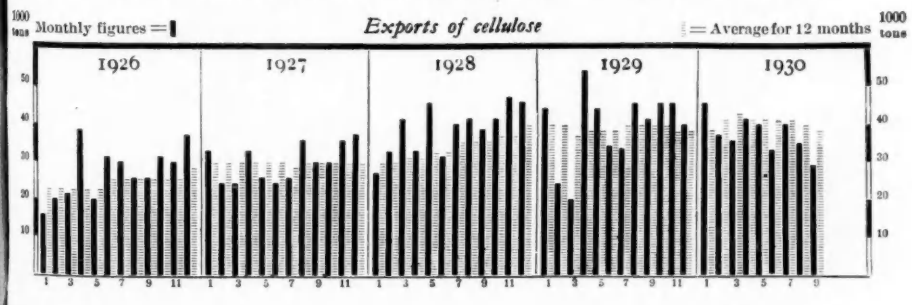


EXPORTS FROM FINLAND

Value in mill. mks — Index basis 1926

Year Month	Wood goods	Products of paper trade	Animal foodstuffs	Other exports	Total exports	Volume index
1924	2 839	1 354	386	392	4 971	86
1925	3 012	1 537	614	411	5 574	95
1926	3 153	1 629	531	323	5 636	100
1927	3 711	1 678	565	370	6 324	112
1928	3 481	1 867	512	385	6 245	111
1929	3 481	1 901	599	446	6 427	117
1929 July	574	141	54	33	802	104
Aug.	651	170	43	40	904	129
Sept.	463	157	40	54	714	104
Oct.	451	186	43	51	731	106
Nov.	317	182	44	52	595	103
Dec.	201	172	43	36	452	111
1930 Jan.	54	186	52	27	319	169
Feb.	38	144	49	28	259	160
March	43	146	52	25	266	147
April	75	160	54	35	324	143
May	236	155	43	45	479	139
June	447	150	45	30	672	124
July	483	155	45	24	707	96
Aug.	334	139	30	33	536	80
Sept.	273	139	32	39	483	72



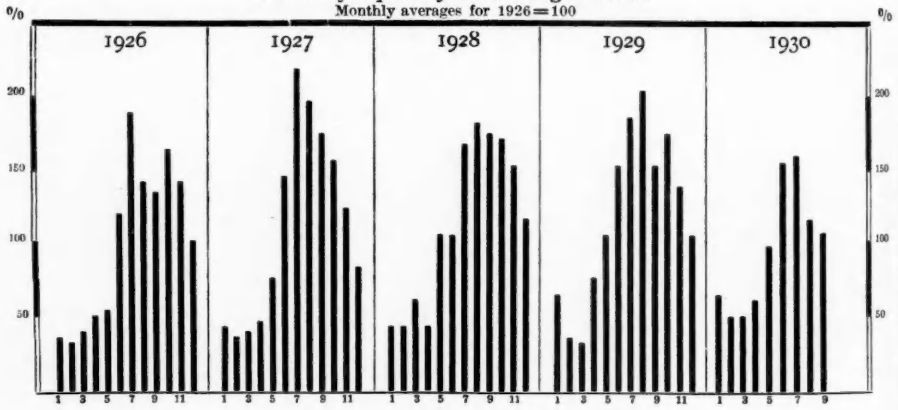


INDUSTRY IN FINLAND

Year Month	Sawntimber Sold for shipping season Stds End of	Paper: Newsprint paper Orders in hand Tons End of	Paper: Other paper Orders in hand Tons End of	Cellulose Orders in hand Tons Dry weight End of	Mechanical pulp Orders in hand Tons Dry weight End of	Plywood Production in cub. metres
1924	1 000 000	92 000	27 000	163 000	.	.
1925	1 000 000	99 000	25 000	249 000	20 000	.
1926	1 100 000	98 000	31 000	221 000	36 000	88 100
1927	1 250 000	106 000	36 000	251 000	79 000	88 100
1928	1 150 000	153 000	38 000	361 000	100 000	105 000
1929	1 180 000	143 000	41 000	425 000	144 000	146 500
1929 July	860 000	120 000	35 000	437 000	138 000	13 300
Aug.	930 000	116 000	31 000	425 000	130 000	14 300
Sept.	1 025 000	116 000	30 000	412 000	148 000	13 400
Oct.	1 100 000	141 000	38 000	398 000	153 000	13 300
Nov.	1 155 000	141 000	39 000	374 000	158 000	12 400
Dec.	1 180 000	143 000	41 000	425 000	144 000	10 100
1930 Jan.	290 000	155 000	47 000	423 000	133 000	12 100
Feb.	350 000	141 000	52 000	431 000	241 000	11 300
March	420 000	129 000	41 000	418 000	240 000	11 900
April	500 000	116 000	41 000	433 000	223 000	12 700
May	560 000	105 000	49 000	463 000	212 000	13 400
June	610 000	93 000	43 000	458 000	197 000	11 000
July	640 000	102 000	40 000	475 000	177 000	11 900
Aug.	665 000	106 000	39 000	502 000	171 000	11 700
Sept.	760 000	111 000	39 000	535 000	155 000	11 700

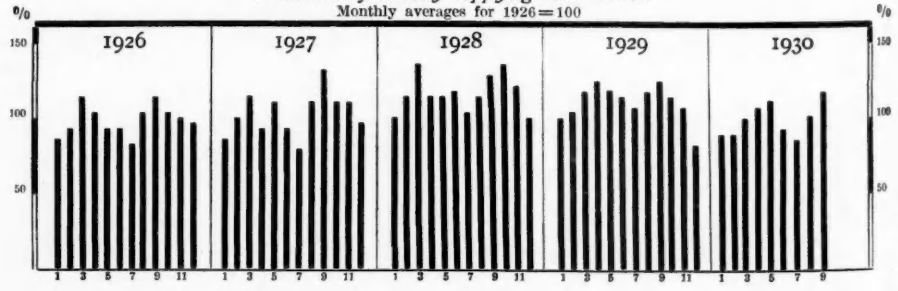
Volume of exports of woodworking industries

Monthly averages for 1926 = 100



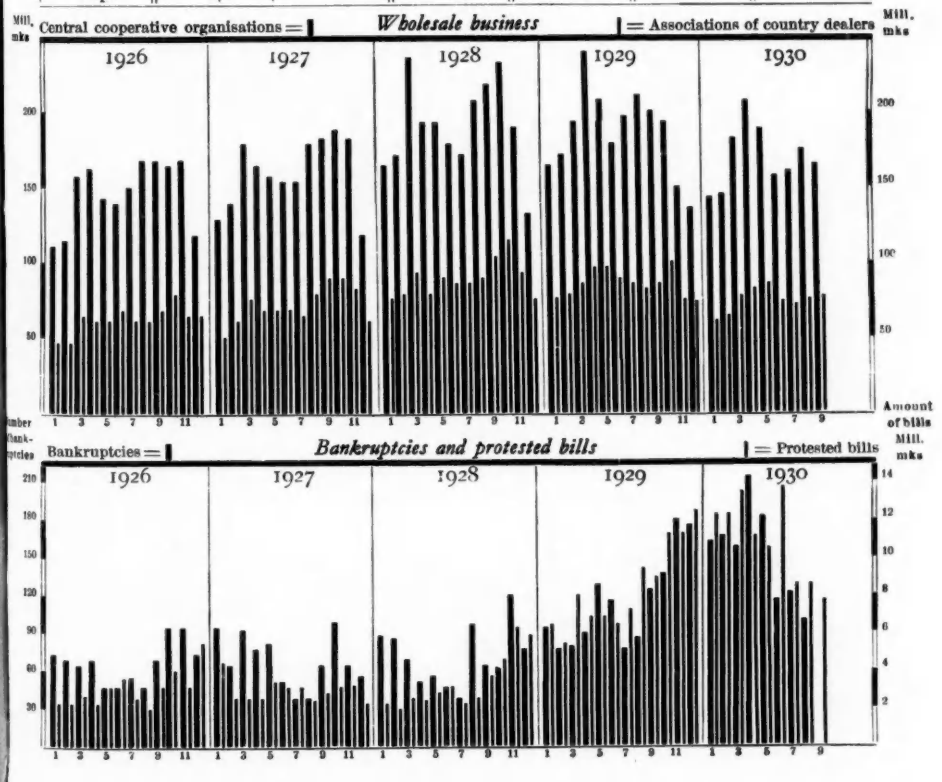
Production of industry supplying home market

Monthly averages for 1926 = 100



COMMERCE IN FINLAND

Year Month	Sales of the centralcooperative organisations Mill. mks	Sales of the associations of country dealers Mill. mks	Sales on the Helsingfors Stock Exchange Mill. mks	Protested bills Mill. mks	Bankruptcies Number	Railway goods traffic Mill. truck-axle km
1924	1 452	575	119	57	1 179	589
1925	1 647	672	145	37	891	589
1926	1 751	743	341	37	828	632
1927	1 926	865	784	37	857	671
1928	2 295	1 073	511	43	889	665
1929	2 274	1 037	168	103	1 401	653
1929 July	201	90	6	7.4	78	69
Aug.	214	86	9	9.7	90	68
Sept.	204	89	18	9.3	129	55
Oct.	196	103	16	11.5	140	50
Nov.	155	74	17	11.5	188	43
Dec.	139	76	11	12.7	179	38
1930 Jan.	146	60	20	12.6	166	43
Feb.	149	66	18	12.7	170	52
March	187	78	16	13.5	165	55
April	212	86	28	11.2	215	49
May	190	88	12	10.6	187	56
June	159	76	9	13.9	120	54
July	168	76	12	8.7	129	62
Aug.	179	78	7	8.8	99	53
Sept.	171	80	10	8.0	·	·

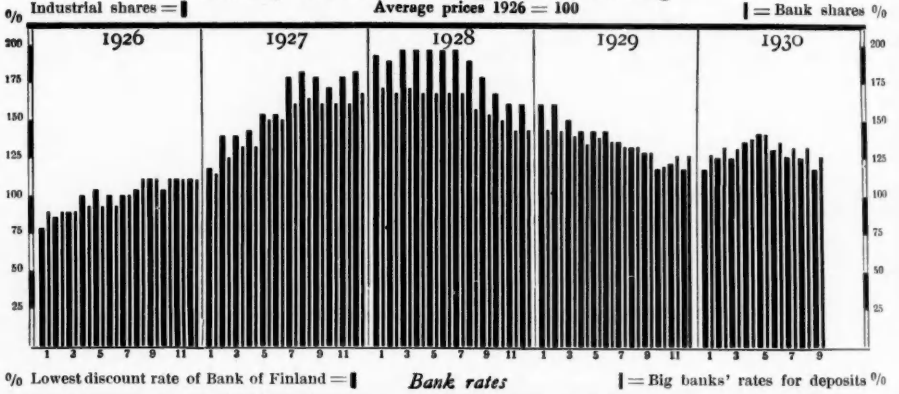


LEVEL OF PRICES IN FINLAND

Index for prices and values; 1926 = 100

Year Month	Wholesale prices			Cost of living	Foreign trade, value per unit		Prices of shares on Helsingfors Exchange
	Agricultural products, Finnish	Industrial products, Finnish	General index		Imports	Exports	
1924	.	.	c. 101	99	98	101	79
1925	.	.	c. 104	102	106	102	79
1926	100	100	100	100	100	100	100
1927	104	100	101	102	98	100	152
1928	110	102	102	104	98	99	170
1929	100	99	98	104	94	96	135
1929 July	98	99	97	103	91	99	135
Aug.	97	98	97	104	93	100	133
Sept.	95	98	96	104	94	98	126
Okt.	95	98	96	104	92	97	121
Nov.	94	98	95	104	91	95	124
Dec.	92	98	95	102	90	94	124
1930 Jan.	88	98	94	99	91	91	126
Feb.	88	97	93	98	91	88	129
March	88	97	92	97	89	88	129
April	85	97	92	95	87	86	138
May	82	96	90	93	81	92	141
June	82	96	90	93	82	95	135
July	86	96	90	95	78	95	132
Aug.	83	96	89	96	80	93	132
Sept.	78	95	88	95	81	93	126

Prices of shares on the Helsingfors Stock Exchange



AB

NORDISKA FÖRENINGSBANKEN

FINLAND

BALANCE SHEET 30th SEPTEMBER 1930

LIABILITIES *Finnish Marks*

Capital paid up		240,000,000: —
Reserve Funds		197,103,710: 50
Deposits		1,640,623,161: 09
Current Accounts		182,539,727: 53
Bank Post-Bills		19,949,143: 21
Correspondents		451,667,694: 78
Sundry Accounts		33,339,161: 93
Other Liabilities		113,208,505: 90
	Fmk	2,878,431,104: 94

ASSETS *Finnish Marks*

Cash in hand and with Balances Bank of Finland		67,238,863: 07
Government and other Bonds		122,699,790: 82
Correspondents		699,212,504: —
Bills		814,047,071: 12
Loans		1,096,116,557: 68
Bank Premises		29,900,000: —
Sundry Accounts		45,009,666: 56
Mortgage Department		4,206,651: 69
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1925	.	.	c. 104	102	106	102	79
1926	100	100	100	100	100	100	100
1927	104	100	101	102	98	100	152
1928	110	102	102	104	98	99	170
1929	100	99	98	104	94	96	135
1929 July	98	99	97	103	91	99	135
Aug.	97	98	97	104	93	100	133
Sept.	95	98	96	104	94	98	126
Okt.	95	98	96	104	92	97	121
Nov.	94	98	95	104	91	95	124
Dec.	92	98	95	102	90	94	124
1930 Jan.	88	98	94	99	91	91	126
Feb.	88	97	93	98	91	88	129
March	88	97	92	97	89	88	129
April	85	97	92	95	87	86	138
May	82	96	90	93	81	92	141
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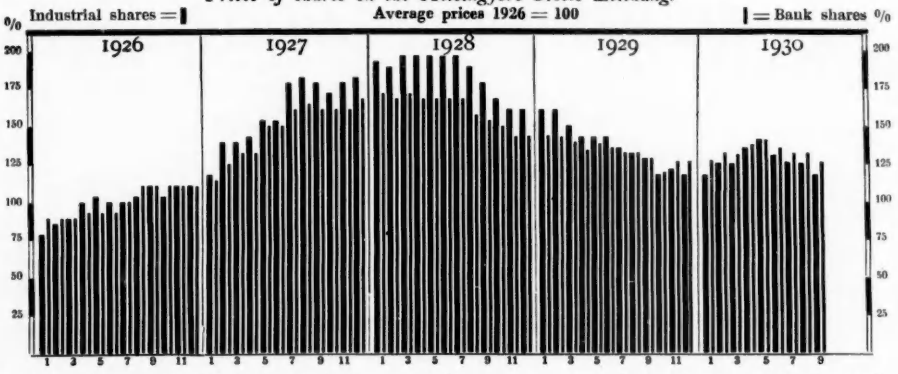
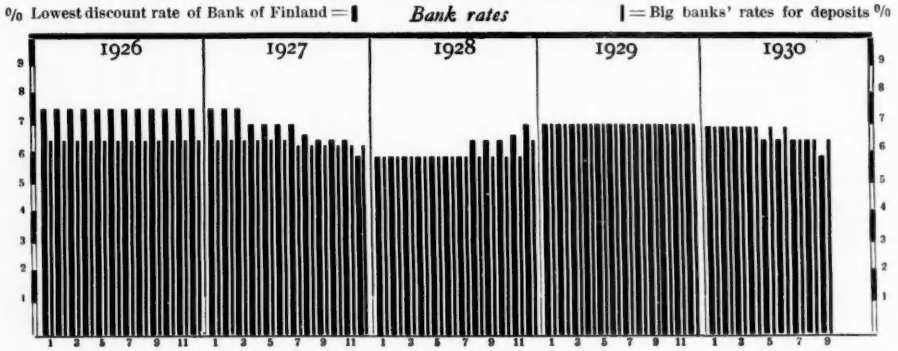
Prices of shares on the Helsingfors Stock Exchange





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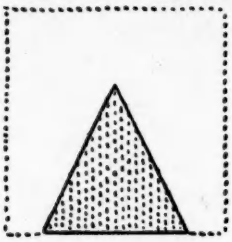
AB

NORDISKA FÖRENINGSBANKEN

(OY Pohjoismaiden Yhdyspankki)

The square shows the number of depositors in all the 17 joint stock banks in Finland



The pyramid shows the number of depositors in the Nordiska Föreningsbanken

DEPOSITORS' BALANCES

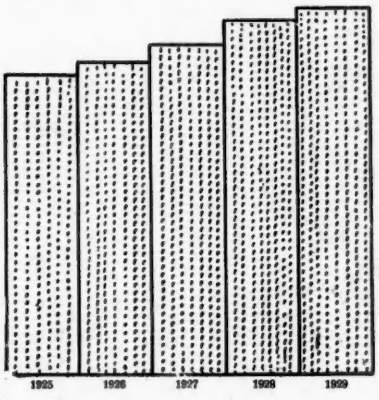
in the Nordiska Föreningsbanken at the end of 1929 amounted on an average

for each depositor to

11,919 marks

THE INCREASE

of the average amount is seen in the diagram below



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Helsingfors 1930 - Centraltryckeriet